

EXHIBIT 19

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

COMMONWEALTH OF
MASSACHUSETTS, et al.,

Plaintiffs,

v.

NATIONAL INSTITUTES OF HEALTH,
et al.,

Defendants.

Case No. _____

Declaration of Douglas A. Gage, Ph.D.

I, Douglas A. Gage, hereby declare:

1. I am the Vice President for Research and Innovation at Michigan State University (MSU), a position I have held since 2020. As Vice President for Research and Innovation, I oversee strategic initiatives and support for the university's research enterprise and approximately \$932 million in annual research expenditures. Prior to holding this position, I was an Assistant Vice President in the university's Office for Research and Innovation. I am also a professor in the Department of Biochemistry and Molecular Biology.
2. As the Vice President for Research and Innovation and having been a researcher for more than 30 years, I have personal knowledge of the matters set forth below, or have knowledge of the matters based on my review of information and records gathered by my staff.
3. I am providing this declaration to explain certain impacts of National Institutes of Health ("NIH") Notice Number NOT-OD-25-068, *Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates*, which purports to immediately reduce indirect costs payments to 15% from 57%.

4. MSU is Michigan's State University and a leading research university. Founded in 1855, MSU was the nation's pioneer land-grant university leading a bold nationwide experiment to democratize higher education and bring science and innovation into the everyday lives of communities across the United States.
5. MSU's human health research initiatives include translational neuroscience (with a focus on Alzheimer's and Parkinson's diseases); pediatric and human development (including autism); obstetrics, gynecology, and reproductive health; cancer; and stroke. The backbone of this research is supported and directed by the NIH.
6. MSU receives NIH funding and has annual NIH expenditures of approximately \$136 million.
7. MSU has a Negotiated Indirect Cost Rate Agreement ("NICRA") with NIH, effective as of July 1, 2024. The Indirect Cost ("IDC") Rate in MSU's NICRA is 57%.
8. MSU's total blended IDC annual funding for NIH funding is \$39 million.
9. NIH's reduction of MSU's IDC rate will eliminate approximately \$27 million in yearly funding that MSU uses to support its research programs. The loss of these funds will immediately impact MSU's ability to draw critical funds used to pay expenses associated with the reimbursement for activities supporting research, including debt service, cost of federal compliance and oversight, salaries and benefits, waste removal, insurance, utilities in research facilities, and other facility maintenance costs. These costs are directly incurred on behalf of research activities, but they are required to be incorporated into the indirect cost recovery rate calculation.
10. These reimbursement changes will impact MSU by reducing support for the costs directly required for research, but which are included in the federal indirect cost recovery structure. These include support for personnel involved in federally mandated oversight for

increasingly complex compliance requirements, funding for debt service, and other costs as listed above, none of which can be included in direct costs. The reduction in funding will not eliminate these costs; therefore, reductions in staffing, as well as potential stoppage of construction projects, will be required to cover these costs. The reduction in staffing will make compliance increasingly more difficult to ensure.

11. The NIH's reduction will, as one example, impact MSU's Grand Rapids Innovation Park. MSU's Grand Rapids Innovation Park is a vital hub for biomedical research and health technology, and it fosters collaborations that lead to transformative health discoveries and improves the quality of life for ALL Michiganders, and potentially all Americans. The NIH's reduction of critical dollars will disrupt, and likely fully stall, critical patient research projects and delay the development of life-savings therapies, including those that involve neurodegenerative diseases (such as Alzheimer's disease and related dementias and Parkinson's disease) and cancer. One example is MSU's collaboration with BAMF Health, a cutting-edge cancer diagnostic and therapeutic company in the Grand Rapids Innovation Park. MSU provides BAMF Heath with leased access to a cyclotron MSU built for radiopharmaceutical research. BAMF uses this access to provide novel treatment for cancer patients. The NIH's reduction will also impact the region, leading to the loss of jobs that provide direct care to the Grand Rapids, Michigan community, as well as diminish the healthcare advancements that the community celebrates.

12. The NIH's reduction will also disrupt MSU's MIRACLE Center. The MIRACLE Center is one of 12 Centers of Excellence nationwide funded by the NIH's IMPROVE (Implementing a Maternal health and Pregnancy Outcomes Vision for Everyone) initiative, which uses indirect costs to deliver care and information to mothers and children. The NIH's reduction

would immediately and negatively impact 20 counties in Michigan that the MIRACLE Center serves.

13. The NIH's reduction will also harm the transformative Henry Ford Health (HFH) + MSU partnership. To expand and enhance clinical education, biomedical research, and clinical care throughout Michigan, and after years of planning, MSU and HFH are constructing a new \$330M research building in Detroit, Michigan. When complete in 2027, the building will house 80 research teams, with a total of nearly 500 new jobs to support innovative research efforts in cancer, cardiovascular, and neurosciences (including stroke, Alzheimer's, and neurofibromatosis). The NIH's reduction will require an immediate response by MSU and HFH, likely causing the project to be at least paused and even ultimately abandoned, which will have real economic (up to 1,000 construction jobs will be lost) and clinical impacts.
14. MSU next anticipates to draw funds on or around Friday, February 14, 2025. At that time, the reduced IDC rate will reduce reimbursement for actual expenditures incurred, and MSU must begin to reduce staffing and identify other reductions, which will be detrimental to attaining committed research goals.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 9th day of February 2025, in East Lansing, Michigan



Douglas A. Gage

Vice President of Research and Innovation,
Michigan State University